

### PART 3. BINGO

#### **R 432.21301 Definitions.**

Rule 301. (1) The following terms used in the act are defined as follows for the purposes of this part:

(a) "Bingo card" or "card" means a hard bingo card, disposable bingo card, or any other bingo card approved in writing by the bureau.

(b) "Call" means the announcement of the numbers on the ball drawn from the bingo receptacle.

(2) As used in this part:

(a) "Ball" means a ball used in the game of bingo similar to a ping pong ball with a minimum size of 1 1/4 inches in diameter. The balls are typically numbered 1 through 75.

(b) "Bingo receptacle" means a container, which is either hand operated or mechanically operated, such as a cage, holder, or blower and which holds the bingo balls used in bingo games.

(c) "Carnival style bingo" means a special bingo occasion in which the players are continuously entering and leaving the bingo occasion and paying for their bingo cards at various times throughout the bingo occasion.

(d) "Disposable bingo card" means a bingo card with a serial number that is used 1 time and thrown away. All requirements in these rules that govern disposable bingo cards shall pertain to any quantity or form in which the cards may be sold; for example, single cards, sheets, books, packets, or pads.

(e) "Last number called" means the last number drawn from the bingo receptacle, shown to not less than 2 players, and completely called.

(f) "Hard bingo card" means a bingo card that is designed for repeated use.

(g) "Master board" means a board that has holes typically numbered 1 through 75 and is used in playing bingo. As the bingo balls are drawn from the bingo receptacle, they are placed on, or in, the board with the number of the ball matching the number on the board.

#### **R 432.21302 Licensing requirements.**

Rule 302. A qualified organization applying for a bingo license shall meet the requirements of R 432.21204.

#### **R 432.21303 Principal officer responsibilities.**

Rule 303. The principal officer of the qualified organization shall be responsible for all of the following:

(a) Ensuring that there is full accountability of all gaming assets including, but not limited to, cash, prizes, bingo cards, charity game tickets, and all funds derived from the licensed gaming event.

(b) Ensuring that the licensed gaming event is conducted in accordance with the act, these rules, terms of probation, and directives of the bureau.

(c) Ensuring that all records related to the licensed gaming event are current and accurate.

(d) Reviewing all reports and correspondence from the bureau.

(e) Signing and ensuring that financial statements from the licensed gaming event are submitted to the bureau as prescribed by R 432.21335.

(f) Responding in writing to violation notices as prescribed by R 432.21106.

(g) Ensuring that all workers are qualified to work the licensed gaming event.

#### **R 432.21304 Bingo chairperson; qualifications and duties.**

Rule 304. (1) The officers of the qualified organization shall designate at least 1 chairperson to be in charge of and responsible for the conduct

of the licensed gaming event in accordance with the act, these rules, terms of probation, and directives of the bureau.

(2) The chairperson is a worker who shall be a bona fide member of the qualified organization for at least 6 months.

(3) The chairperson shall be listed on the license application.

(4) The chairperson shall be familiar with the act, these rules, terms of probation, and directives of the bureau.

(5) The chairperson shall be present on the premises continuously during the sale of bingo cards, charity game tickets, and during all bingo games.

(6) The chairperson shall be readily identifiable to all bingo players at the game by wearing a name badge with the word "Chairperson" followed by the name of the licensee and the chairperson's name.

(7) The chairperson shall be in full charge of the licensed gaming event, supervise and direct all workers, and be responsible for assuring the proper receipting, recording, and depositing of all money derived from the conduct of the licensed gaming event.

(8) The chairperson shall attempt to resolve in accordance with the act, these rules, directives of the bureau, and house rules any disputes that may occur during the conduct of the licensed gaming event.

(9) Any change in the chairperson or persons who are listed on the bingo license application shall be immediately submitted to the bureau in writing. The notification shall be signed by the principal officer of the qualified organization.

**R 432.21305 Bingo; number issued.**

Rule 305. If more than 1 bingo license is issued for any 1 day at a location, the times of the bingo occasions shall not overlap.

**R 432.21306 Temporary change of large bingo or small bingo play date, time, or location.**

Rule 306. (1) A large bingo or small bingo licensee may request a change of play date, time, or location of its bingo game for a limited or temporary basis. The change shall be a substitution for the regular scheduled bingo occasion and not an additional bingo occasion.

(2) The request shall be submitted to the bureau in writing and shall be signed by the qualified organization's principal officer.

(3) A change of date shall be within the same week.

(4) Instead of a new license, the bureau shall issue a letter authorizing the change of date, time, and location.

**R 432.21307 Temporary closings.**

Rule 307. The licensee shall notify the bureau in writing and contact the local inspector of any temporary or seasonal closing of a large bingo or small bingo game at least 10 days before the last game date.

**R 432.21308 License closing.**

Rule 308. Upon permanent cancellation, revocation, or nonrenewal of the organization's large bingo or small bingo license, the licensee shall follow the instructions of the bureau.

**R 432.21309 Minimum age.**

Rule 309. (1) Persons under 18 years of age shall not be permitted to participate in bingo as players and shall not be permitted to operate or assist in the conduct of bingo.

(2) Persons under 18 years of age shall not be permitted to play with, operate, handle, collect, or distribute any kind of bingo equipment.

(3) Persons under 18 years of age shall not be permitted to sell or purchase raffle tickets or charity game tickets.

**R 432.21310 Charity game tickets, raffles, and other games.**

Rule 310. (1) Another device or game of chance shall not be conducted, played, or allowed at any bingo occasion, except the sale of charity game tickets, bureau lottery tickets, the sale of raffle tickets as allowed by this rule, and any other game approved in writing by the bureau.

(2) Charity game tickets may be sold as prescribed by R 432.21601 to R 432.21624.

(3) Licensed raffle tickets may be sold, with consent of the bingo licensee, at a licensed bingo. Raffle drawings shall not be conducted during the bingo occasion at the location listed on the bingo license.

(4) A bingo occasion does not meet the requirements for an exempt single gathering raffle.

(5) The licensee may permit card or dice games before the bingo occasion for player entertainment if money is not exchanged or wagering is not present.

**R 432.21311 Assistance for persons with disabilities.**

Rule 311. (1) The licensee shall allow assistance for persons with disabilities. For purposes of this subrule, "disabilities" means a physical or mental disability that prevents or restricts a person from normal bingo play. Such assistance may be, but is not limited to:

(a) Assistance in the selection of the bingo cards.

(b) Reserving or saving of seats.

(c) Assistance in the playing of the game. For purposes of this subsection, a worker shall not be required to assist a person with a disability.

(2) Legally blind or persons with disabilities may use their personal Braille, shutter, or sight-assistance bingo cards when a licensee does not provide such bingo cards and shall pay the equivalent price to participate in the game.

**R 432.21312 Bingo equipment maintenance; authorized equipment and games.**

Rule 312. (1) The licensee shall maintain bingo equipment in good repair and sound working condition. If the licensed organization conducts a bingo game at a leased location, then the organization may use equipment that is provided by the licensed hall or lessor if such use is included in the bureau approved rental contract. If equipment is included in a bureau approved rental contract, then the licensed hall or lessor shall ensure compliance with the provisions of this rule.

(2) All of the following bingo equipment and games are authorized:

(a) A hand-operated or blower-type bingo receptacle.

(b) A master board.

(c) Bingo cards.

(d) Bingo balls of the same type, weight, and size. Each organization shall own and maintain not less than 2 complete sets of bingo balls, which shall be used to conduct the bingo game and shall be on the premises when bingo is conducted.

(e) Braille, shutter, or sight-assistance bingo cards.

(f) Electronic verification equipment which is used in accordance with directives of the bureau.

(g) Other equipment as approved in writing by the bureau and used in accordance with directives of the bureau.

(h) Other games as approved in writing by the bureau.

**R 432.21313 Bingo equipment; ownership and rental.**

Rule 313. (1) The licensee shall conduct the bingo game only with equipment that it owns, uses under a bureau approved rental contract, uses free of charge, or is purchasing or renting from a licensed supplier,

except with prior written approval of the bureau based on the best interest of the public welfare.

(2) The licensee shall not purchase supplies, equipment, or charity game tickets in consideration for receiving the use of any equipment without charge.

(3) The licensee may pay a percentage of the revenue or net profits from the bingo game for the use of equipment with prior written approval of the bureau. The request for approval shall be submitted to the Charitable Gaming Division, 101 East Hillsdale, Box 30023, Lansing, Michigan 48909.

**R 432.21314 House rules.**

Rule 314. (1) The licensee shall establish and adhere to its house rules for the conduct of the bingo occasion. At a minimum, the house rules shall contain all of the following information:

- (a) The licensee's name.
  - (b) The license number.
  - (c) The contingency plan for inclement weather, power outages, equipment failure, and other emergencies.
  - (d) Whether or not workers are going to cover the bingo cards or make a bingo known for players for an emergency break.
  - (e) Whether or not a person may play another person's bingo cards or make a bingo known to a worker or caller.
  - (f) The redemption claim period for charity game tickets as prescribed by R 432.21611(1)(c).
  - (g) The refund policy.
  - (h) The effective date of the house rules.
- (2) The licensee shall post the house rules in a conspicuous place or print the house rules in sufficient number for distribution to all interested persons.
- (3) Any change in the house rules shall be announced at the game not less than 1 week in advance and published as prescribed by subrule (2) of this rule before its effective date.
- (4) The house rules shall not be in conflict with the act, these rules, or directives of the bureau.

**R 432.21315 Bingo game program.**

Rule 315. (1) The licensee shall establish and adhere to their bingo game program for the conduct of the bingo occasion. The bingo game program shall contain at a minimum the following information:

- (a) All of the games to be played.
  - (b) The order that the games will be played.
  - (c) The combinations needed to win.
  - (d) The prize structure, except for the Michigan progressive jackpot bingo game.
  - (e) The admission fee, if any, and the number of admission cards that will be given for the admission price, if any.
  - (f) The price of each type of bingo card that is offered for sale.
  - (g) The effective date.
- (2) If the program indicates variable prize payouts based upon attendance, then the program shall clearly state which games are affected, when these circumstances shall apply, and the amount of the reduced prize or prizes.
- (3) The full amount of the stated and announced prizes shall be awarded, unless the game program indicates that prizes may be reduced based upon attendance.
- (4) The licensee shall post the bingo game program or print the bingo game program in sufficient number for distribution to all interested persons.

(5) Any change in the bingo game program shall be announced at least 1 week in advance and published as provided by subrule (4) of this rule before the effective date.

**R 432.21316 Card price; restrictions.**

Rule 316. (1) The bureau may require a licensee to sell all like cuts of cards, sheets, books, packets, or pads of cards of the same color and type at a uniform price.

(2) The bureau may require licensees to sell bingo cards at a price as directed in writing by the bureau.

**R 432.21317 Game conduct and operation.**

Rule 317. (1) Bingo games shall only be conducted between the hours of 8 a.m. and 2 a.m.

(2) The bingo license shall be on site and posted in a conspicuous place during the bingo occasion.

(3) A copy of the current license application and any changes shall also be on site and available for review.

(4) The bureau may establish directives regulating the conduct of specific types of bingo games, including the Michigan progressive jackpot bingo game.

(5) The utilization of equipment and the methods of play shall be such that each player is afforded an equal opportunity to win.

(6) Before the start of each bingo game, the name of the game, type or color of bingo card, winning combinations, and the amount of each prize shall be clearly announced to the players. For games that are divided into multiple prizes, the winning arrangements and the amount of each prize shall be clearly announced to the players immediately before each multiple game.

(7) All balls that are used during the game shall be present in the bingo receptacle before each game begins and shall be verified by 2 bingo players before the bingo occasion starts. The names of the persons who verify the balls shall be recorded and become part of the game records. If the balls are changed during the bingo occasion, then the balls shall be verified again by 2 bingo players and the names of the persons who verify the balls shall be recorded.

(8) All bingo cards shall be purchased, all winners shall be determined, and all prizes shall be awarded within the same day or as directed by the bureau. The chairperson may withhold a prize payment pending the resolution of a disputed game.

(9) Players shall play only the bingo cards that have been purchased from the licensee for that bingo occasion, except as prescribed by R 432.21311.

(10) Free bingo cards shall not be provided, given to, or played by a player, except as prescribed by R 432.21324.

(11) A worker may, at the option of the licensee, cover the bingo cards for a player as provided in the house rules as prescribed by R 432.21314(1)(d).

(12) A bingo card shall not be sold after the first number is drawn for the game in which the bingo card is going to be used, except bingo cards where the bingo numbers are concealed.

(13) A player may, at the option of the licensee, exchange hard bingo cards.

(14) Any bingo card that is being selected, purchased, or exchanged during a game shall not be used while that game is in progress, except bingo cards where the bingo numbers are concealed.

(15) Bingo cards shall not be exchanged or transferred between players.

(16) A worker shall not select or exchange bingo cards for a player, except as prescribed by R 432.21311.

(17) Hard bingo cards that have not been purchased shall be turned in and removed from the playing area before the first hard card game.

(18) Bingo cards shall not be removed by the players from the bingo premises, except for player-owned Braille, shutter, or sight-assistance bingo cards, unless approved in writing by the bureau based on the best interest of the public welfare.

**R 432.21318 Master control form.**

Rule 318. (1) A master control form shall be prepared and maintained for each bingo occasion when hard cards are sold, an admission fee is charged, or bingo cards are discounted.

(2) The master control form shall include each verification slip number, the corresponding admission fee, if charged, and the number of bingo cards.

(3) The master control form shall be completed as each sale is made.

(4) In place of a master control form, a special bingo licensee who plays carnival style bingo shall complete and maintain a special bingo accountability form that is provided by the bureau.

**R 432.21319 Verification slips.**

Rule 319. (1) A verification slip shall be issued by the licensee in consecutive number order when hard cards are sold, an admission fee is charged, or bingo cards are discounted, except as provided by subrule (7) of this rule.

(2) The verification slip shall include all of the following information:

(a) The name of the licensee.

(b) The date for which the slip was issued.

(c) The number of bingo cards purchased.

(d) A unique number that is preprinted on the verification slip in continuous, consecutive order. Hand numbering or hand imprinting of the number is prohibited.

(3) The information that is recorded on the verification slip shall be legible and clearly printed.

(4) The verification slip shall be clearly displayed by each player.

(5) The licensee shall account for each verification slip number. Any break in the consecutive numbering system shall be documented in writing and retained with the game records.

(6) Any voiding or changing of verification slips shall be done in accordance with directives of the bureau.

(7) Compliance with the provisions of this rule is not required for special bingo licensees who conduct carnival style bingo unless directed otherwise by the bureau.

**R 432.21320 Cash registers.**

Rule 320. The licensee may use a cash register system in place of verification slips and master control form if the cash register complies with directives of the bureau.

**R 432.21321 Calling.**

Rule 321. (1) Balls shall be drawn from a bingo receptacle, shown, clearly announced, and placed in the master board.

(2) The caller shall be located so that 2 or more players can observe the drawing of the ball from the bingo receptacle.

(3) The caller shall show the balls drawn for all games to the players so that 2 or more players can see the number on the ball before the number is called. A video monitor may be used to show the balls.

(4) Only 1 person shall handle the ball.

(5) There shall be not more than 1 ball in play or shown at one time.

(6) Once removed, balls shall not be returned to the bingo receptacle until the conclusion of the game.

(7) A worker shall not physically push a ball back down into the machine.

(8) A hand or other object shall not be placed over the opening of the bingo receptacle while the game is in progress.

(9) If more than 1 room or area is used for any 1 bingo occasion, then all of the following provisions apply:

(a) If a lighted board is used in one of the rooms, then a lighted board or an equivalent method approved in writing by the bureau shall be visible or present in each of the rooms.

(b) All called numbers shall be clearly audible to the players in all of the rooms or areas.

(c) A worker shall be present at all times in each room or area while a game is in progress.

#### **R 432.21322 Verification.**

Rule 322. (1) A bingo game is won by the player or players who have the winning combination and numbers required to win the game.

(2) The last number that is called shall appear on the player's bingo card that is being verified.

(3) The actual numbered balls in the master board shall be the only official scorer. A lighted board, if used, is not the official scorer.

(4) There shall be a sufficient number of designated floor workers to provide complete coverage of the bingo playing area for purposes of identifying player bingos.

(5) It shall be the responsibility of the player to make his or her bingo known to a worker or caller by saying the word "bingo" before the next number is completely called.

(6) A player who is unable to say the word "bingo" due to physical limitations shall be permitted to use an alternative method of making his or her bingo known.

(7) Once a worker hears the word "bingo," the worker shall immediately notify the caller and the game shall stop for a verification of the bingo card. Any number that is called in error after this time shall not be considered the last number called. Any ball that is removed from the bingo receptacle in error shall remain available for continued play, if necessary, and shall be returned to the bingo receptacle only if the game is concluded.

(8) A worker shall call the winning combination of numbers that appear on the winning player's bingo card back to the caller who shall verify that the balls are in the master board except as directed in writing by the bureau based on the best interest of the public welfare. In a coverall game, the caller may announce the numbers that are not called and the worker may verify that these numbers do not appear on the player's bingo card that is being verified.

(9) On all games where the single prize paid to a player is \$100.00 or more, the bingo card or cards shall be taken to another table for witnessing of the verification process.

(10) If a player is playing more bingo cards than the number of bingo cards stated on the verification slip or playing a disposable bingo card series number not sold by the licensee, then any bingo called by the player shall not be honored and a prize shall not be paid.

(11) A player may verify all the balls drawn at the time a winner is announced.

(12) A player may observe the verification of the winning bingo card.

#### **R 432.21323 Bingo game closing.**

Rule 323. (1) Each bingo game shall be closed in accordance with the following procedure:

(a) The game shall only be closed after the winning combination has been verified.

(b) The caller shall announce 3 times, in a manner audible to all players, "Are there any other bingos?"

(c) After the third announcement and a pause sufficient to permit additional winners to identify themselves, the caller shall then announce audibly, "This game is closed." In multiple-part games the announcement shall be, "This part of the game is closed."

(2) If there is not a valid bingo, then the caller shall state, "There is no valid bingo." The game shall resume with the caller repeating the last number called before calling any more numbers.

(3) After all calls of bingo have been verified and the game closed, the caller shall announce the number of winners in each category, the amount of money or prize each winner has won, and the total amount of money or prizes awarded for that game.

(4) A licensee closing a game in accordance with the procedure in this rule has no obligation to pay a prize to a winner who claims a bingo after the game is closed.

**R 432.21324 Disputed games.**

Rule 324. (1) If it is discovered that there are problems with the bingo balls, bingo equipment, or the operation of the bingo equipment, then all of the following provisions shall apply:

(a) If it is discovered while the game is in progress, then that game is void and shall be played over during the same occasion at no cost to the players.

(b) If it is discovered before the start of the next game, then the just completed game is void and shall be replayed during the same occasion at no cost to players.

(c) If it is discovered after a bingo occasion is completed, then no games shall be replayed.

(d) If the number of bingo cards each player was playing during the affected game can be determined, then each player shall receive that same number of bingo cards for the replay of the game. If the number of bingo cards played cannot be determined for all players, then an equal number of bingo cards shall be given to each player.

(2) If it is discovered that a ball was incorrectly called or improperly placed or entered into the master board, then either of the following provisions shall apply:

(a) If it is immediately discovered, then the game shall be stopped. The error shall be corrected by clearly restating the incorrect call or indicating the improper placement and indicating what the correct call or placement should have been and continue the game.

(b) If it is discovered after additional balls have been called, then the game shall be stopped. The chairperson shall determine whether the game can be reconstructed by recalling the game from the point of error and continuing. If the game cannot be reconstructed, then the game shall be declared void and replayed during the same occasion. Only those portions of the game and prize affected by the error and all subsequent portions of the game shall be replayed. If disposable bingo cards were being used, then the licensee shall issue replacement disposable bingo cards of equivalent value at no cost to the players to play the makeup games. If the number of bingo cards played cannot be determined for all players, then an equal number of bingo cards shall be given to each player.

(3) If it is discovered that a winner does not have the right to claim a prize, the game shall be replayed as provided by subrule (1)(b), (c), and (d) of this rule or as directed by the bureau based on the best interest of the public welfare.

(4) In the case of a disputed game, if a prize has been paid to a player before the discovery of the error, then the prize shall remain the property of the player.

(5) If payment of prizes in accordance with this rule causes the licensee to exceed the maximum prize limit permitted by the act, then the cause of the payment shall be noted in the game records and in the corresponding



financial report for that time period. Repeated or excessive overpayments of this nature may be considered a violation of the act and these rules.

(6) In the investigation of disputed prizes, the bureau may instruct a licensee to pay a disputed prize if the preponderance of the evidence is in favor of the player.

**R 432.21325 Prizes.**

Rule 325. (1) The total retail value of all merchandise and cash prizes offered or awarded through bingo at a single bingo occasion shall not exceed the limitations set by the act for the specific license type. Prizes in a single game may be paid in steps, however, the value of prizes shall not exceed the total amount set by the act for a single game. The value of donated prizes shall be their total retail value.

(2) If charity game tickets and lottery tickets are awarded, then they are considered merchandise prizes and shall be valued at their face value, not the prize amount that they may reveal.

(3) If a merchandise prize is to be awarded, then there shall be an explanation in the game program and an announcement at the start of the merchandise game as to how the prize will be awarded if there are multiple winners of the game. A merchandise prize may be offered with a cash equivalent option.

(4) At all bingo occasions where prize payouts are based upon attendance, the attendance shall be announced at the start of the first game that is affected by attendance.

(5) All winners of bingo prizes shall be determined by the bingo method. Prizes shall not be awarded or split by any other method or means.

**R 432.21326 Workers.**

Rule 326. (1) A worker shall not play in games of bingo in which he or she is working or assisting. A worker who wishes to work until the first ball is drawn for that bingo occasion and then play bingo may do so if he or she purchases his or her bingo cards in the same manner as other players.

(2) A worker shall not purchase, play, or accept as a gift, charity game tickets offered for sale by the licensee at any time during the day they are working or assisting.

(3) A licensee, worker, location owner or his or her agent, hall employee, lessor, or concession worker shall not pay for, provide in any manner, or have any interest of any kind, in a player's bingo cards or charity game tickets, and shall not, in any manner, share in a prize awarded to a player.

(4) A paid concession worker at a location that is not a licensed hall shall not participate as a worker in the bingo occasion in any manner.

(5) A person under 18 years of age shall not participate in bingo as a worker and shall not operate or assist in the conduct of bingo.

(6) A worker shall not accept tips from players.

**R 432.21327 Worker compensation.**

Rule 327. (1) The commissioner shall establish a service compensation schedule for workers.

(2) The commissioner may adjust the established service compensation schedule. If an adjustment is proposed, then the licensees shall be given 30 days to comment before the change is implemented.

(3) A worker shall not be compensated more than the amount established by the commissioner in the service compensation schedule.

(4) The amount established by the commissioner that may be paid to a worker is as follows:

(a) The chairperson or recordkeeper shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the

service compensation schedule not to exceed \$150.00 for his or her services for each bingo occasion worked.

(b) The person who completes the quarterly financial statement shall be paid not more than \$50.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$100.00 for each quarterly financial statement submitted.

(c) All other workers shall be paid not more than \$30.00 as of the effective date of these rules and the amount may be adjusted by the service compensation schedule not to exceed \$60.00 for their services for each bingo occasion worked.

(5) Only 1 person may be paid as chairperson and only 1 person may be paid as recordkeeper for each bingo occasion.

(6) An individual may only be compensated for being 1 of the following at each bingo occasion:

- (a) Chairperson.
- (b) Recordkeeper.
- (c) Worker.

(7) A worker shall not be compensated for any other services related to that bingo occasion, for example, custodial services, set up, tear down, except as provided by this rule.

(8) Compensation to workers includes, but is not limited to, any of the following:

- (a) Cash or check.
- (b) Anything of value.
- (c) Credit towards dues, tuition, or any other items of value. Any credit given shall not exceed the limit per bingo occasion as prescribed by this rule.

(9) In addition to the compensation as provided by subrule (8) of this rule, workers may also receive food and beverages consumed while working that do not exceed \$10.00 in retail value.

(10) All worker compensation, other than credits, shall be paid on the day of the bingo occasion. This subrule does not apply to a person who completes the quarterly financial statement.

(11) The names of the workers and amounts paid, including any credits as provided by subrule (8)(c) of this rule, shall be recorded on the workers service record for each bingo occasion or as directed in writing by the bureau.

(12) Any and all forms of worker compensation shall only be paid from the proceeds of the licensed gaming event or the financial account as prescribed by R 432.21330.

(13) All compensation shall be reported on the financial statement as prescribed by R 432.21335.

#### **R 432.21328 Game records; retention.**

Rule 328. (1) Game records pertaining to the licensed gaming event shall be completed and maintained in a current and accurate manner in accordance with the act, these rules, terms of probation, and directives of the bureau. A licensee may be required to complete game records on forms prescribed by the bureau.

(2) A qualified organization that is issued more than 1 bingo license shall maintain game records as directed by the bureau.

(3) A copy of the current license application and rental agreement and any changes shall be on site and available for review.

(4) Game records and all documents supporting entries made in the records shall be available and on site at all large bingo or small bingo occasions and at other times to authorized representatives of the bureau for review.

(5) Game records and all documents supporting entries made in the records shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau.

(6) Game records and all documents supporting entries made in the records may be removed from the bingo location by authorized representatives of the bureau for review.

(7) Upon completion of an inspection of the bingo game by the bureau, the authorized representative of the bureau may designate certain records that may be moved to an off-site storage area. The records shall be maintained by the licensee at this site in accordance with the retention requirements provided in subrule (5) of this rule.

(8) Game records may be maintained using a computer if they are maintained in accordance with directives of the bureau.

**R 432.21329 Inventory.**

Rule 329. (1) The licensee shall be accountable for all bingo cards and shall maintain an accurate and complete inventory of all disposable bingo cards on forms prescribed by, or submitted to and approved in writing by, the bureau.

(2) A qualified organization that is issued more than 1 bingo license shall maintain separate disposable bingo card inventories unless directed otherwise in writing by the bureau.

(3) Off-site inventory locations shall be a building or office open to the public and not a private residence unless directed otherwise in writing by the bureau.

(4) The exchange, sale, sharing, or mixing of disposable bingo cards by a qualified organization with disposable bingo cards belonging to another qualified organization is prohibited, except with the prior written approval of the bureau.

(5) A qualified organization shall not exchange, sell, share, or mix disposable bingo cards between any large and small bingo licenses issued to that qualified organization, except with the prior written approval of the bureau based on that organization's ability to account for all disposable bingo cards.

(6) A large bingo or small bingo licensee may use its own disposable bingo cards at special bingo occasions conducted by the licensee if the date of the special bingo and the amount of each type of disposable bingo card used is noted on the licensee's inventory record.

(7) If disposable bingo cards are sold by a licensee in a form other than that in which they were purchased from the licensed supplier, then the licensee shall accurately record the corresponding transfers on the inventory record as provided by subrule (1) of this rule to account for all bingo cards originally purchased.

(8) Each bingo card or sheet of bingo cards offered for sale by the licensee shall have printed on its face the individualized serial number assigned by the manufacturer.

(9) A licensee shall only purchase disposable bingo cards from a licensed supplier if the invoice and case label have been clearly and legibly identified with the color, type (for example, 3-on horizontal), and total number of sheets or total number of packets for each color invoiced or contained in the case.

**R 432.21330 Accountability; lawful use of proceeds; reasonable expenditures; deposit of proceeds.**

Rule 330. (1) The licensee shall be accountable for all cash, bingo cards, prizes, and charity game tickets.

(2) In accordance with the act, the entire net proceeds of a licensed gaming event shall be devoted exclusively to the lawful purposes of the qualified organization.

(3) To ensure that all proceeds are used for the lawful purposes of the qualified organization, all financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be open for review by authorized representatives of the bureau.

(4) The payment of expenses incurred in connection with the conduct of the licensed gaming event shall be necessary and reasonable.

(5) Each check written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall meet all of the following requirements:

(a) Each check shall be preprinted with the name of the licensee.

(b) The check shall be signed by an authorized person or persons.

(c) The check shall be made payable to a specific person, business, partnership, corporation, or account.

(d) A check shall not be made payable to cash or bearer and shall not be drawn in blank.

(e) The check shall contain a brief description of the expense on the memo line.

(6) Electronic transfers of funds derived from the conduct of the licensed gaming event shall be done in accordance with directives of the bureau.

(7) Cancelled checks written from financial accounts into which proceeds from the licensed gaming event are deposited or transferred shall be returned on a monthly basis to the account holder. Copies of the checks are acceptable, if legible, and if originals can be made available upon request by the bureau.

(8) All monies derived from the conduct of the licensed gaming event shall be deposited into the licensee's financial account within 2 business days of the bingo occasion or as directed in writing by the bureau.

(9) Checks shall not be cashed out of the bingo start cash or gross revenue.

(10) Prize payments and worker compensation are the only allowable cash expenditures from proceeds of the licensed gaming event. All other expenses of the licensed gaming event shall be paid by check as prescribed by this rule.

#### **R 432.21331 Rent and rental location agreement.**

Rule 331. (1) The licensee shall not pay a fee for rent different from the fee that has been approved in writing by the bureau and the licensee shall not pay rent other than as provided in the written agreement approved by the bureau.

(2) Any changes to the approved rental agreement shall be submitted in writing to the bureau for approval before implementation. These changes shall be agreed to by both the lessor and lessee.

(3) The licensee shall pay the lessor of a location within the time frame as stipulated in the rental agreement.

(4) A licensee terminating a rental agreement with a licensed hall shall submit proof of termination before entering into a rental agreement with another licensed hall.

#### **R 432.21332 Security.**

Rule 332. (1) The licensee may assign a worker to provide security services at the bingo occasion and that worker shall be eligible for pay as a worker as prescribed by R 432.21327.

(2) A licensee may hire contractual security services and pay them for services at current market rates, provided the activity is conducted in compliance with 1968 PA 330, MCL 338.1051. Persons hired under this subrule shall not assist in the operation of the bingo game in any other capacity.

#### **R 432.21333 Advertising.**

Rule 333. (1) A supplier, manufacturer, or their agent shall not advertise in any manner a licensed gaming event.

(2) Large bingo and small bingo licensees may advertise the licensed gaming event by any legal means if the cost is not more than 3% of gross

revenue generated from the licensed gaming event for a 12-month period beginning October 1 and ending September 30 or as directed in writing by the bureau.

(3) Special bingo licensees may advertise the licensed gaming event by any legal means if the expenditures are necessary and reasonable.

(4) Advertising shall include all of the following information:

(a) The name of the licensee.

(b) The license number.

(c) The purpose for which the net proceeds will be used.

**R 432.21334 Bingo financial records; retention.**

Rule 334. All of the following financial records shall be available to authorized representatives of the bureau for review and shall be kept for at least the current calendar year plus 3 years or as directed in writing by the bureau:

(a) A copy of the financial statements as prescribed by R 432.21335.

(b) Bank validated deposit slips for all proceeds from the licensed gaming event.

(c) Bank statements from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(d) Cancelled checks or copies of checks, as prescribed by R 432.21330(7) from all financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(e) Invoices or receipts with the date, vendor's name, and a description of the item or service for all expenditures made from financial accounts where proceeds from the licensed gaming event were deposited or transferred.

(f) Loans or donations of funds from individuals shall only be permitted if documented in a written, witnessed document. A copy of the document and repayment schedule and any later changes to these documents shall be maintained with these financial records.

**R 432.21335 Financial statement; requirements.**

Rule 335. (1) A large bingo licensee shall submit a financial statement to the bureau on a form provided by or approved in writing by the bureau.

(2) Unless directed otherwise in writing by the bureau, a large bingo licensee shall file the financial statement on a quarterly basis. The statement shall be filed with the bureau by the tenth day of the month following the end of the reporting period. The reporting periods shall be January to March, April to June, July to September, and October to December.

(3) A special bingo licensee shall submit a financial statement to the bureau on a form, provided by or approved in writing by the bureau, by the tenth day of the month following the month that the licensed gaming event was held.

(4) The financial statement shall be signed by the principal officer of the qualified organization certifying that the information on the financial statement is true, correct, and complete to the best of his or her knowledge.

**R 432.21336 Senior citizen recreational bingo; exemption.**

Rule 336. (1) A licensed senior citizen organization may apply to the bureau on a form provided by the bureau for an exemption from these rules if all of the following conditions are met:

(a) The bingo is conducted primarily for the amusement and recreation of the members and guests of the senior citizen organization and not as a fund-raiser.

(b) Only members of the senior citizen organization, the staff, and volunteers may assist in the operation of the bingo.

(c) Players are charged not more than 25 cents or equivalent value for each bingo card.

(d) The total retail value of all merchandise and cash prizes offered or awarded at a bingo occasion shall not be more than \$300.00. The value of donated prizes shall be their total retail value.

(e) A record shall be maintained for each bingo occasion that indicates the revenues, expenses, and prizes paid.

(f) All revenue from the bingo is used for prizes or reasonable expenses incurred in operating the bingo or the senior citizens organization.

(g) A person shall not be compensated for participating in the conduct of the bingo.

(2) The bureau may terminate a licensee's exemption if any portion of subrule (1) of this rule is violated.